



## Missouri Department of Natural Resources Energy Center

### MISSOURI ENERGY BULLETIN

April 22, 2004

Energy prices and supplies shown throughout this bulletin are from Apr. 19, 2004 unless otherwise noted. Also shown are energy data from a month ago, Mar. 15, 2004, and from a year ago, Apr. 21, 2003.

#### Transportation Fuels

**The U.S. average retail price for regular gasoline is 23.9 cents higher than at this time last year due to very strong consumer demand at 9 million barrels per day over the last 4-weeks, exceeding last year's demand by 0.5 million barrels per day.**

- The average retail price paid for regular unleaded gasoline in **Missouri**, throughout this last month, increased by 9.8 cents per gallon (6 percent) moving from 160.2 to 170.0 cents per gallon. Throughout this last year, the price paid increased by 30.4 cents per gallon moving from 139.6 to 170.0 cents per gallon, an increase of 22 percent.
- The average retail price paid for regular unleaded gasoline in the **United States**, throughout this last month, increased 8.9 cents per gallon (5 percent) moving from 172.4 to 181.3 cents per gallon. Throughout this last year, the price paid increased by 23.9 cents per gallon, an increase of 15 percent.
- The average retail price paid for highway diesel fuel in **Missouri**, throughout this last month, increased by 9.9 cents per gallon (6 percent) moving from 154.1 to 164.0 cents per gallon. Throughout this last year, the price paid increased by 18.4 cents per gallon moving from 145.6 to 164.0 cents per gallon, an increase of 13 percent.
- Total motor gasoline stocks in the **Midwest**, throughout this last month (Mar. 12 to Apr. 16) were down by 7.5 million barrels (14 percent) moving from 55.1 to 47.6 million barrels. In the **United States**, stocks were down by 0.5 million barrels moving from 199.6 to 199.1 million barrels, a decrease of less than 1 percent.
- Total motor gasoline stocks in the **Midwest**, throughout this last year (Apr. 18, 2003 to Apr. 16, 2004), were down by 0.3 million barrels (1 percent) moving from 47.9 to 47.6 million barrels. In the **United States**, stocks were down by 2.1 million barrels moving from 201.2 to 199.1 million barrels, a

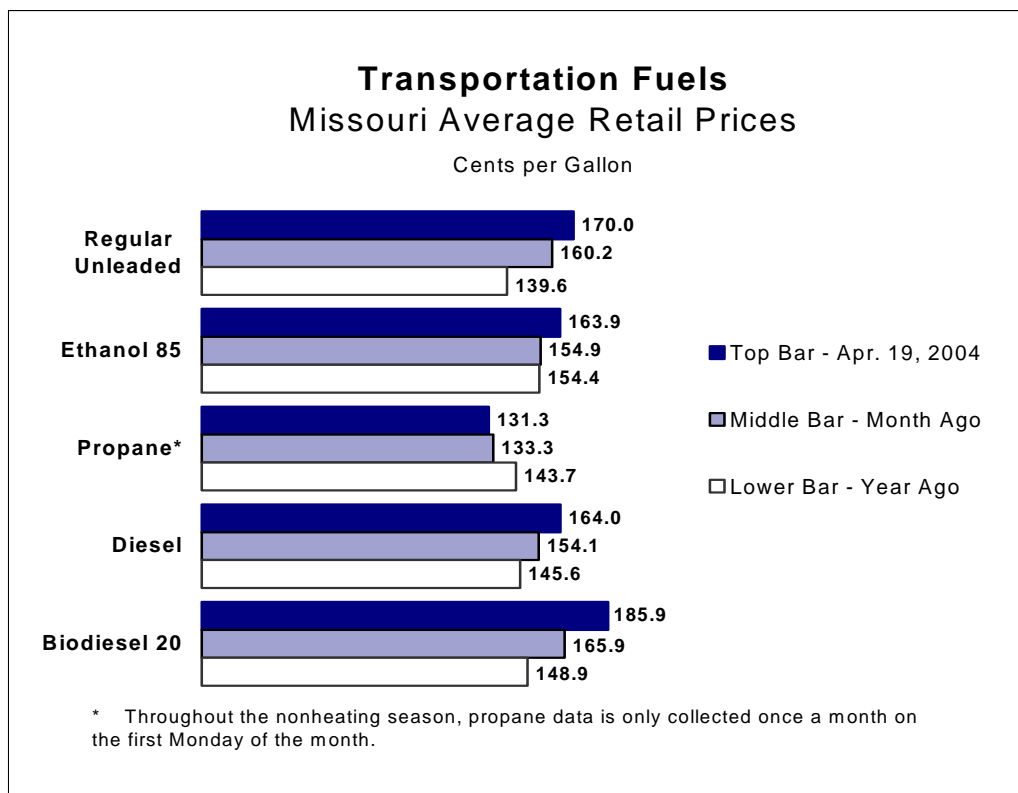
#### Regular Unleaded Gasoline Average Retail Prices in the U.S., Midwest, Missouri and Missouri Regions

Apr. 19, 2004 Fuel Data in Cents per Gallon

<b>U.S.</b>	<b>181.3</b>
<b>Midwest</b>	<b>177.8</b>
<b>Missouri</b>	<b>170.0</b>
<b>Central, Mo.</b>	<b>166.1</b>
<b>Kansas City, Mo.</b>	<b>170.4</b>
<b>Northeast, Mo.</b>	<b>170.5</b>
<b>Northwest, Mo.</b>	<b>171.4</b>
<b>St. Louis, Mo.</b>	<b>174.7</b>
<b>Southeast, Mo.</b>	<b>169.6</b>
<b>Southwest, Mo.</b>	<b>166.6</b>

decrease of 1 percent.

- U.S. gasoline supplies increased 1.6 million barrels to 199.1 million barrels from April 9 to April 16. This is over 2 million barrels lower than at this time last year. Gasoline continues to trade at the NYMEX in a range of \$1.16 to \$1.18 per gallon (spot price) sustained by uncertainties about adequate supplies during the summer driving season. For the week ending April 16, domestic production increased by 189,000 barrels per day while imports increased by 461,000 per day.

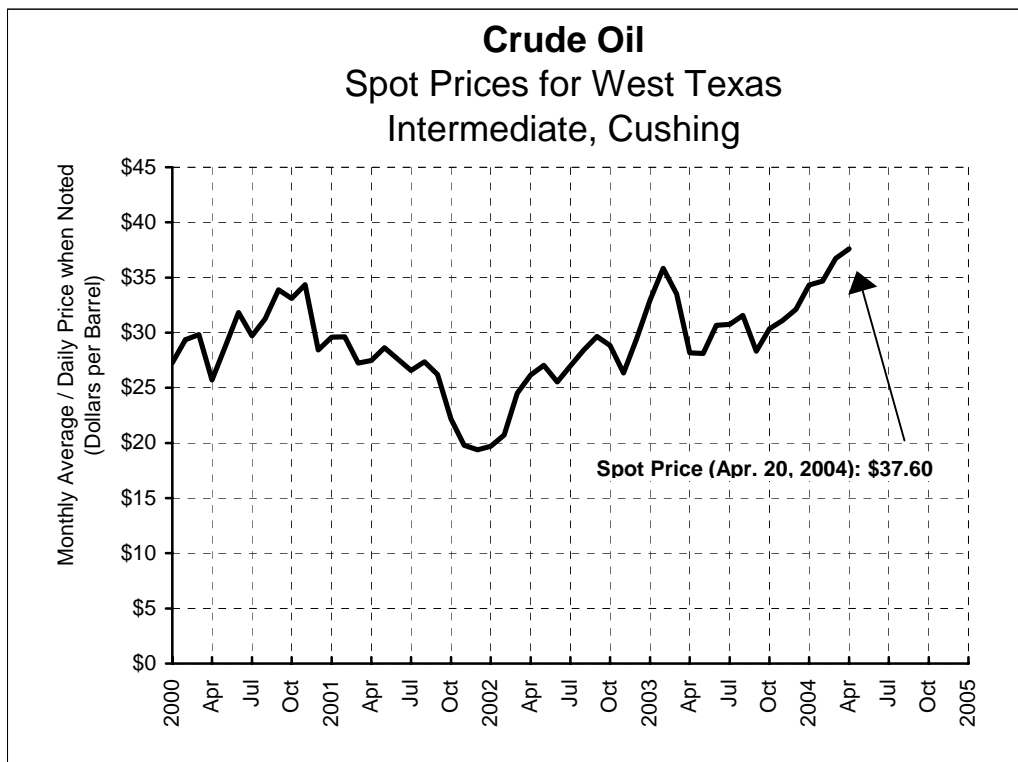


## Crude Oil

**Crude prices fell slightly over the last month but remain over 20 percent higher than this time last year.**

- The spot price of crude oil (West Texas Intermediate - Cushing), throughout this last *month* (Mar. 17 to Apr. 20), decreased by 0.58 dollars per barrel (2 percent) moving from 38.18 to 37.60 dollars per barrel. Throughout this last *year* (Apr. 21, 2003 to Apr. 20, 2004), the spot price increased by 6.72 dollars per barrel moving from 30.88 to 37.60 dollars per barrel, an increase of 22 percent. (Source: *Wall Street Journal*)
- The EIA reports U.S. commercial crude stocks at 295.6 million barrels, an increase of just 200,000 since the prior week but still 9.4 million barrels higher compared to this time last year. Crude supplies in the U.S. are now at their highest point since August 20, 2002.

- Crude prices continue to be strong due to several factors including continued violence in the Middle East, higher gasoline prices that help support higher crude and other blending costs and a recovering U.S. economy resulting in greater demand for petroleum products.



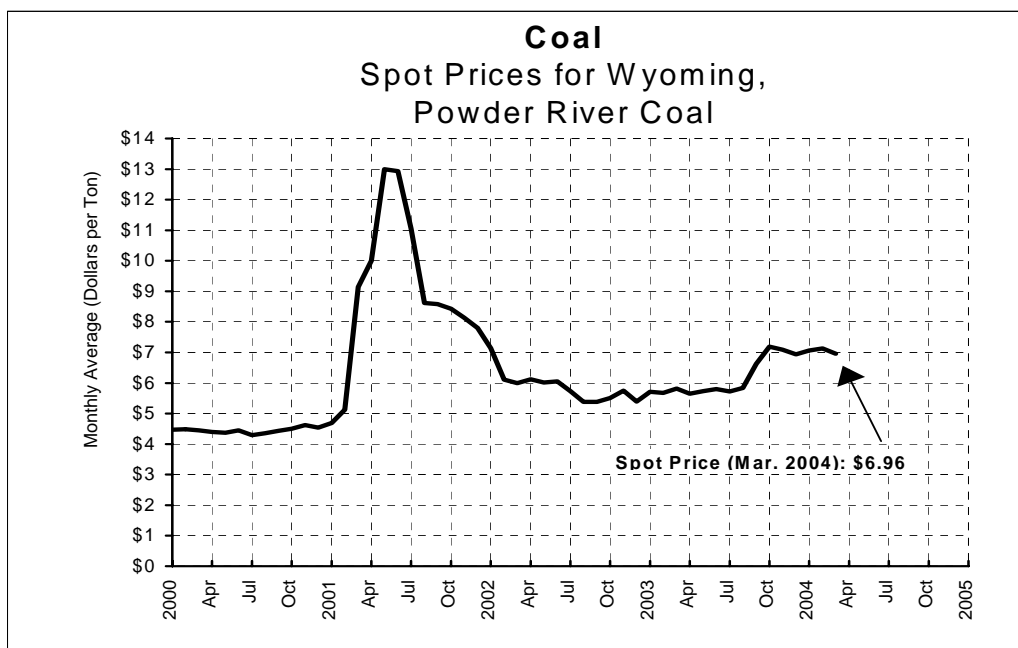
## Coal

Coal-fired electric power plants located in Missouri produced 84 percent of all electric power used throughout the state in 2001. Of all coal delivered to Missouri during 2000, about 96 percent came from Wyoming.

**The average price paid for Powder River Wyoming coal is 20 percent higher than last year at this time.**

- The monthly average price paid for Wyoming, Powder River coal, throughout this last month (Feb. to Mar.), decreased by 0.17 dollars (2 percent) moving from 7.13 to 6.96 dollars per ton. Throughout this last year (Mar. 2003 to Mar. 2004), the average price paid increased by 1.14 dollars moving from 5.82 to 6.96 dollars per ton, an increase of 20 percent. (Source: *Wyoming Insight*, Mar. 29, 2004)
- Estimated coal production for the week ending Apr. 10 was 21.259 million short tons (mmst). This was 4.7 percent above the comparable week in 2003. Year-to-date U.S. coal production is estimated at 298 mmst, or 1 percent ahead of the corresponding total for 2003.
- Although the single-year productive capacity of U.S. coal mines has increased, the duration of coal production from active mines has declined and become concentrated in fewer companies. Proven reserves at producing mines is estimated at 16 years at current production rates.

- There is no single cause for rising coal prices in recent months, but a number of industry, market, and external circumstances have put upward pressure on coal prices since last fall. The common concern heard from coal consumers throughout the East and Midwest is a severe crimp in the coal supply chain. Coal availability is short for both spot purchases and term contracts, but in a rising market, as in recent months, spot bids exhibit the more dramatic price spikes.



## Heating Fuels

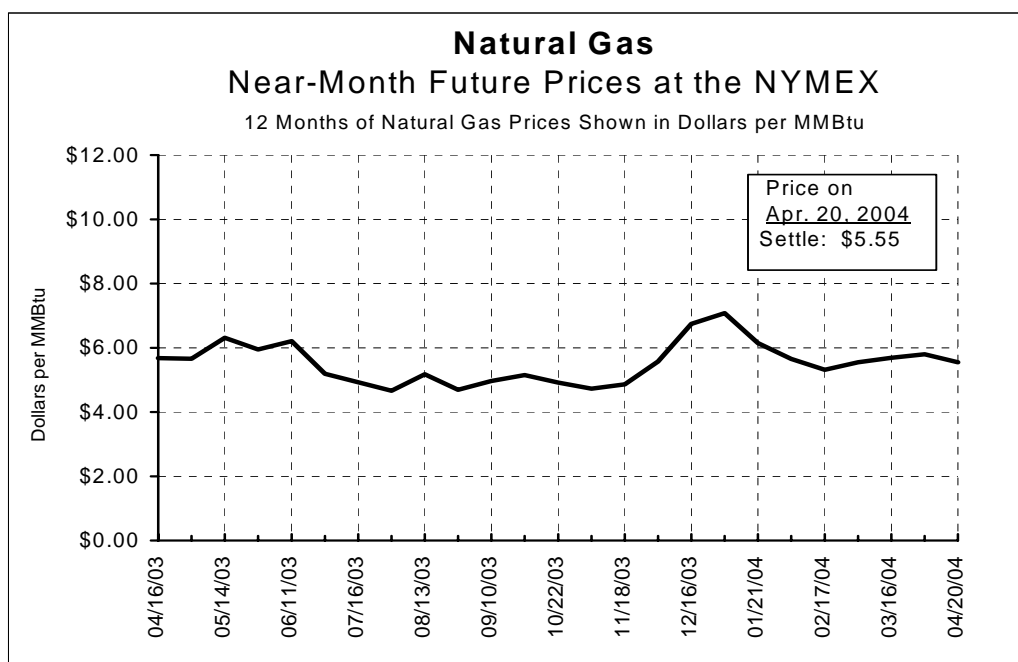
Heating fuels tracked in the Missouri Energy Bulletin include natural gas, propane and residential heating oil. All heating fuel prices and supplies shown from October through March are updated in every new release of the bulletin. From April through September, propane and heating oil prices and supplies are either not available or revised once a month.

### Natural Gas

**Moderating temperatures reduced natural gas demand in most parts of the country, contributing to lower spot prices at most market locations.**

- The spot price for natural gas at the Henry Hub, throughout this last *month* (Mar. 17 to Apr. 20), remained unchanged at 5.60 dollars per MMBtu. Throughout this last *year* (Apr. 21, 2003 to Apr. 20, 2004), the price paid increased by 0.04 dollars per MMBtu moving from 5.56 to 5.60 dollars per MMBtu, an increase of 1 percent. (Source: *Wall Street Journal*)
- The near-month contract settlement price paid for natural gas futures at the NYMEX, throughout this last *month* (Mar. 16 to Apr. 20), decreased by 0.14 dollars per MMBtu (2 percent) moving from 5.69 to 5.55 dollars per MMBtu. Throughout this last *year* (Apr. 16, 2003 to Apr. 20, 2004), the price paid decreased by 0.12 dollars per MMBtu moving from 5.68 to 5.55 dollars per MMBtu, a decrease of 2 percent. (Source: *Wall Street Journal*)

- Moderating temperatures led to price declines of at least 10 cents per MMBtu at most market locations in the Lower 48 States since last Wednesday, April 14. The steepest declines occurred principally in the Northeast region, where prices fell more than 30 cents per MMBtu at most markets.
- Working gas in storage was 1,077 Bcf as of Friday, April 16, 2004, according to the EIA *Weekly Natural Gas Storage Report*. This is about 6 percent less than the 5-year average for the report week and 375 Bcf more than the level for the same week last year. The implied net injection during the report week was 28 Bcf. This is about 26 percent below the 5-year average net addition of 38 Bcf for the week and contrasts to an injection of 60 Bcf reported for the same week last year. Lingering cool temperatures during the week ended April 17 likely contributed to the lower-than-average rate of injections as temperatures in the Northeast and Midwest regions were close to normal and temperatures elsewhere in the Lower 48 States were significantly cooler than normal.



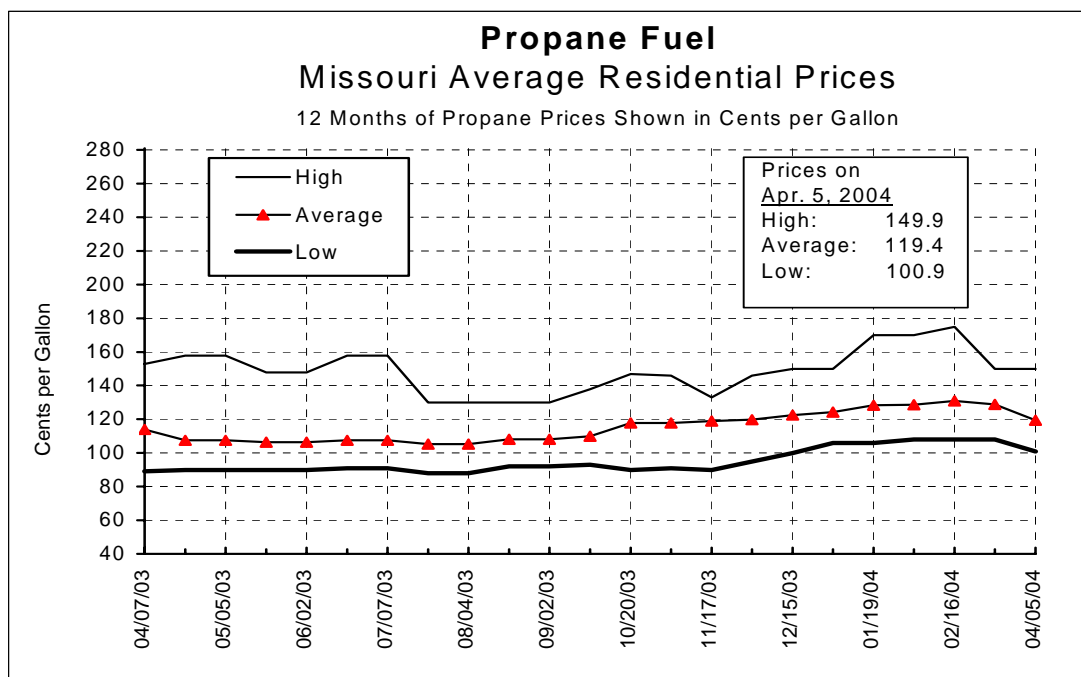
## Propane

**Midwest propane supplies improved by 1 million barrels in the last month, placing supplies at 10.7 million barrels compared with 6.8 million barrels at this time last year.**

- Propane stocks in the **United States**, throughout this last month (Mar. 12 to Apr. 16), were up by 0.5 million barrels moving from 26.7 to 27.2 million barrels, an increase of 2 percent. In the **Midwest**, stocks were up by 1.0 million barrels (10 percent) moving from 9.7 to 10.7 million barrels.
- Propane stocks in the **United States**, throughout this last year (Apr. 18, 2003 to Apr. 16, 2004), were up by 4.9 million barrels (22 percent) moving from 22.3 to 27.2 million barrels. In the **Midwest**, stocks were up by 3.9 million barrels moving from 6.8 to 10.7 million barrels, an increase of 57 percent. Cold temperatures during the winter of 2002-2003 resulted in propane stocks that were

significantly lower at the end of the heating season.

- U.S. inventories of propane continued to seesaw last week with a 0.4-million-barrel draw that placed inventories at an estimated 27.2 million barrels as of April 16, 2004. Last week's decline in inventories more than offset the prior week's inventory gain, putting U.S. propane inventories at a net loss of 0.1 million barrels for the first half of April.



### **Residential Heating Oil**

- Total distillate stocks in the **Midwest**, throughout this last month (Mar. 12 to Apr. 16), were down by 1.4 million barrels (5 percent) moving from 27.7 to 26.3 million barrels. In the **United States**, stocks were down by 7.2 million barrels (6 percent) moving from 111.8 to 104.6 million barrels.
- Stocks in the **Midwest**, throughout this last year (Apr. 18, 2003 to Apr. 16, 2004), were down by 1.0 million barrels (4 percent) moving from 27.3 to 26.3 million barrels. In the **United States**, stocks were up by 8.5 million barrels (9 percent) moving from 96.1 to 104.6 million barrels.
- U.S. distillate supplies improved by more than 700,000 barrels last week placing supplies at 104.6 million barrels, 8.5 million barrels above last year's level. Distillate demand surged to 4 million barrels per day (b/d) from 3.8 million b/d for the previous week. Distillate demand last year at this time was 3.8 million b/d. Early crop planting by farmers and the related increase in demand for diesel fuel accounted for the increase in demand.

The Missouri Energy Bulletin is distributed twice a month by the Missouri Department of Natural Resources, Energy Center. The Energy Center collects transportation and propane heating fuel prices from several retail providers located throughout the state. To preserve confidentiality, price data are averaged and reported by region. The Bulletin is a public resource made available to state government decision-makers, other interested individuals upon request and on-line at the Energy Center Internet address. The department thanks each of the following in helping to provide accurate, timely data on fuel supplies and prices: the U.S. Department of Energy's Energy Information Administration; the National Association of State Energy Officials; the St. Louis AAA Auto Club; regional state energy offices; and Missouri's energy retailers.